

UNITED STATES DISTRICT COURT

DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA)	CRIMINAL NO. 04-10119-MEL
)	VIOLATIONS:
v.)	
)	18 U.S.C. § 1343
JAMES R. HART)	WIRE FRAUD

SUPERCEDING INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

1. During the time period from March 1999 through September 2003, in the District of Massachusetts and elsewhere

JAMES R. HART

defendant herein, engaged in a scheme and artifice to defraud and obtain money and property by means of false pretenses.

2. The scheme is described as follows: HART operated one or more Internet websites purporting to be for a company named Sovereign Brokerage Services which purported to offer high end used automobiles for sale.

3. HART used these websites to arrange fraudulent automobile sales. HART initiated the scheme by contacting legitimate sellers of automobiles over the Internet, and posing as a potential buyer. HART then obtained from the legitimate sellers detailed information about the automobiles, including photographs, copies of the automobile's titles, and the automobiles' VIN numbers (Vehicle Identification Numbers). HART then posted some of this information on websites he operated or in print advertising he purchased claiming that he was the seller or

broker for the sale of these vehicles. HART did so although, in truth and in fact, as HART well knew, he neither owned the vehicles nor did he have permission from the legitimate owners to broker sales of the automobiles.

4. When a person sought to purchase one of the automobiles HART offered for sale, HART used other specific information he gathered from the real sellers to convince the potential buyers that he had the right to sell the vehicles. Once a potential buyer decided to purchase a vehicle from HART, HART instructed the person to wire transfer or otherwise provide payment for the automobile before HART would arrange the shipment of the automobile to the buyer. HART deposited this money into his personal bank accounts or the bank accounts held in the name of Sovereign Brokerage Services or SBS, to which he was the sole signatory.

5. HART did not ship the vehicles to the buyers after he received payment. Instead, he converted the buyers' monies for his own use.

COUNTS ONE THROUGH SIX:(18 U.S.C. § 1343 – Wire Fraud)

The Grand Jury further charges:

6. The allegations contained in paragraphs 1 through 5 are incorporated herein.
7. On or about the date set forth below, in the District of Massachusetts and elsewhere,

JAMES R. HART

defendant herein, having devised and intending to devise a scheme and artifice to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, as follows:

<u>COUNT</u>	<u>DATE (on or about)</u>	<u>MATTER WIRED</u>
One	June 30, 1999	Wire transfer for \$64,000 from California to Cape Ann Savings Bank in Massachusetts for the benefit of Sovereign Brokerage Service and James R. Hart
Two	July 25, 2001	Wire transfer for \$77,000 from New Jersey to Fleet Bank in Massachusetts for the benefit of Sovereign Brokerage Services
Three	October 28, 2002	Electronic mail message from <u>jhart@shore.net</u> in Massachusetts to a person in Illinois acknowledging the receipt of \$77,000 for the purchase of a 1996 Porsche Twin turbo with 11,800 miles
Four	July 23, 2003	Wire transfer of \$62,350 from Missouri to Sovereign Bank in Massachusetts for the benefit of SBS
Five	May 3, 2003	Wire transfer of \$48,500 from Pennsylvania to Sovereign Bank in Massachusetts for the benefit of SBS
Six	October 30, 2003	Wire transfer of \$39,000 from Rhode Island to Sovereign Bank in Massachusetts for the benefit of Sovereign Brokerage Services and James Hart

All in violation of Title 18, United States Code, Sections 1343 and 2.

NOTICE OF ADDITIONAL FACTORS

The Grand Jury further finds that:

1. The offenses described in paragraphs one through seven of this Indictment resulted in a loss of greater than \$400,000. Accordingly, U.S.S.G. § 2B1.1(b)(1)(H) applies to this case.
2. The offenses described in paragraphs one through seven of this Indictment involved 10 or more victims. Accordingly, U.S.S.G. § 2B1.1(b)(2)(A)(i) applies to this case.
3. The offenses described in paragraphs one through seven of this Indictment involved sophisticated means. Accordingly, U.S.S.G. § 2B1.1(b)(8)(C) applies to this case.

A TRUE BILL

Mike Duke
FOREPERSON OF GRAND JURY

S.P.B.

Seth P. Berman
Assistant U.S. Attorney

DISTRICT OF MASSACHUSETTS, Boston, ~~April~~¹⁶ 17, 2004. *@ 11:53 AM*

Returned into the District Court by the Grand Jurors and filed.

Brian Brown
Deputy Clerk

Criminal Case Cover Sheet**U.S. District Court - District of Massachusetts**

Place of Offense: _____ Category No. II Investigating Agency SECRET SERVICE

City Beverly

Related Case Information:

County Essex

Superseding Ind./ Inf. Yes Case No. 04-cr-10119-MEL
 Same Defendant _____ New Defendant _____
 Magistrate Judge Case Number 04M-1045-JGD
 Search Warrant Case Number 04M-1045-JGD
 R 20/R 40 from District of _____

Defendant Information:

Defendant Name JAMES R. HART

Juvenile Yes No

Alias Name _____

Address 1 Moses Lane, Essex, MA

Birth date (Year only): 1952 SSN (last 4 #): 3402 Sex M Race: White Nationality: USA

Defense Counsel if known: _____ Address: _____

Bar Number: _____

U.S. Attorney Information:

AUSA Seth P. Berman Bar Number if applicable 629332

Interpreter: Yes No List language and/or dialect: _____Matter to be SEALED: Yes No Warrant Requested Regular Process In Custody**Location Status:**

Arrest Date: January 22, 2004

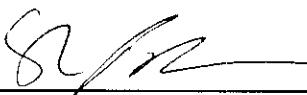
Already in Federal Custody as pretrial detention in Plymouth.
 Already in State Custody _____ Serving Sentence Awaiting Trial
 On Pretrial Release: Ordered by _____ on _____

Charging Document: Complaint Information IndictmentTotal # of Counts: Petty _____ Misdemeanor _____ Felony Six

Continue on Page 2 for Entry of U.S.C. Citations

I hereby certify that the case numbers of any prior proceedings before a Magistrate Judge are accurately set forth above.

Date: November 17, 2004

Signature of AUSA: 

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District Court Case Number (To be filled in by deputy clerk): _____

Name of Defendant JAMES R. HART

U.S.C. Citations

<u>Index Key/Code</u>	<u>Description of Offense Charged</u>	<u>Count Numbers</u>
Set 1 <u>18 U.S.C. § 1343</u>	<u>Wire Fraud</u>	<u>One through Six</u>
Set 2 _____	_____	_____
Set 3 _____	_____	_____
Set 4 _____	_____	_____
Set 5 _____	_____	_____
Set 6 _____	_____	_____
Set 7 _____	_____	_____
Set 8 _____	_____	_____
Set 9 _____	_____	_____
Set 10 _____	_____	_____
Set 11 _____	_____	_____
Set 12 _____	_____	_____
Set 13 _____	_____	_____
Set 14 _____	_____	_____
Set 15 _____	_____	_____
ADDITIONAL INFORMATION: _____		
_____ _____ _____		